

# International Travel and Transportation in the U.S. Balance of Payments: 1969

**F**OREIGN countries last year received \$7 billion from U.S. sources in transactions connected with international travel and transportation, while U.S. receipts from such transactions were \$5.2 billion (table 1, lines 1 and 8). The net U.S. payment of \$1.8 billion on the travel and transportation accounts was up sharply from the \$1.5 billion in 1968, and slightly larger than the figure in 1967 when the Canadian Expo drew a large number of U.S. visitors (line 15). Payments and receipts for both travel and transportation were higher than in 1968. Recovery of U.S. travel to Europe after the decline in 1968, was a major factor in the rise in payments.

This article reviews developments affecting both the travel and transportation accounts that appear in the U.S. balance of international payments. In the discussion of total spending by U.S. residents traveling abroad (and spending by foreign visitors to the United States), data on passenger fares for transoceanic transportation is noted, although it is part of the transportation account not the travel account. Passenger fares of U.S. travelers paid to U.S. transoceanic carriers are also included in the discussion; although they are not part of the balance of payments, accounts, they represent an important part of the total spending of U.S. travelers (table 1, memorandum items). Passenger fares to the extent they are balance of payments entries, are also covered in the analysis of the transportation accounts, as are freight payments to U.S. and foreign air and sea carriers and their port expenditures.

## Structure of the accounts

In the U.S. balance of payments accounts, international travel payments and receipts are estimated and shown

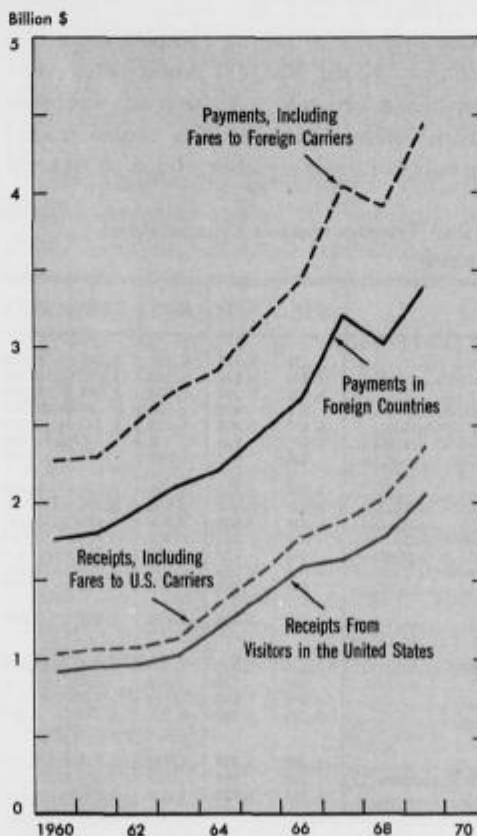
separately from those for international transportation. U.S. expenditures entered in the travel accounts are essentially those for food, lodging, entertainment, personal purchases, and transportation within or between foreign countries. Transportation transactions with Canada and Mexico are also included in the travel accounts. Travel payments do not include expenditures of U.S. Government and military personnel stationed abroad or

their dependents, as such expenses are included in the U.S. balance of payments in appropriate government transactions accounts. Expenditures of U.S. citizens residing abroad are also excluded since they are considered foreigners for balance of payments purposes. Similar distinctions are made in estimating travel receipts.

Payments and receipts for the movement of goods and for oversea passenger fares are considered transportation transactions and appear under that heading in the balance of payments presentations. Passenger fares paid by U.S. residents to foreign carriers and by foreign residents to U.S. carriers are counted. Balance of payments entries for transportation are limited to transactions between U.S. residents and foreigners. Thus, payments by U.S. residents to U.S. carriers for passage abroad are not international transactions, although they are computed for the purpose of this article. Similarly, payments to foreign carriers by foreigners visiting the United States are not balance of payments transactions. U.S. carriers include foreign flag vessels operated by U.S. companies, as well as U.S. flag vessels operated by U.S. companies; all other vessels are foreign carriers.

In respect to transportation of goods, the treatment is similar. In the merchandise trade accounts, U.S. exports are valued at the U.S. border or at the point where the vessel or plane is loaded; a foreign importer, however, must pay for the value of the goods at the U.S. border or loading point plus the cost of transportation to the foreign country. If a U.S. ship carries the exports, the U.S. accounts show receipts both for the value of the goods (U.S. exports) and the cost of shipment (transportation receipts). If a foreign

CHART 9  
**U.S. Payments and Receipts for  
Travel and Transoceanic Passenger Fares**



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70-7-5

ship carries the exports, however, the transportation payment is treated as if it were between the foreign carrier and the foreign importer, and thus is not a U.S. balance-of-payments entry. In practice, of course, actual payments to foreign carriers for U.S. exports might be made by the U.S. exporter, not the foreign importer. However, it is assumed in such cases that the U.S. exporter is acting as agent for the foreign importer, and the U.S. exporter's net receipt (receipt from the foreign importer minus transportation payment) is for the value of the goods at the loading point. By the same logic, payments to foreign carriers for transportation of U.S. imports are U.S. balance of payments entries, but payments to U.S. carriers for U.S. imports are considered to be domestic transactions between U.S. importers and U.S. carriers.

### U.S. Spending for Travel Abroad

Total U.S. expenditures for foreign travel rose 14 percent last year to a record \$5.4 billion, after a slight decline in 1968 (table 1, line 20). Nearly \$4.5 billion of the total represented foreign dollar earnings (chart 9) including almost \$1.1 billion in transoceanic passenger fares paid to foreign carriers and \$3.4 billion in expenditures

abroad for lodging, food, transportation within foreign areas, etc. (table 1, lines 17 and 18). The remaining \$900 million consisted of payments by U.S. travelers to U.S. carriers for transoceanic transportation (table 1, line 19), an amount which does not enter into the balance of payments.

The continued rise in American incomes, combined with the generally calmer atmosphere prevailing in key tourist areas, presumably contributed to the strong growth last year in U.S. visitors' travel payments in foreign countries. All foreign areas shared in the growth (table 2). Spending was up 15 percent in overseas areas and 10 percent in Canada, though the \$900 million spent there was well below the record \$1.1 billion spent in the year of Expo 67. Spending by American travelers in Mexico rose 7 percent to \$675 million, of which over \$400 million reflected expenditures by travelers who visited only Mexico's border area.

Almost 97 percent of the 4.6 million U.S. residents traveling overseas in 1969 used air transportation (table 4). The percentage traveling by sea declined fractionally but the absolute number rose slightly to about 150,000. In addition, a record 530,000 Americans went on ocean cruises, a 40 percent increase from 1968. Much of the cruise traffic involves relatively short trips to nearby

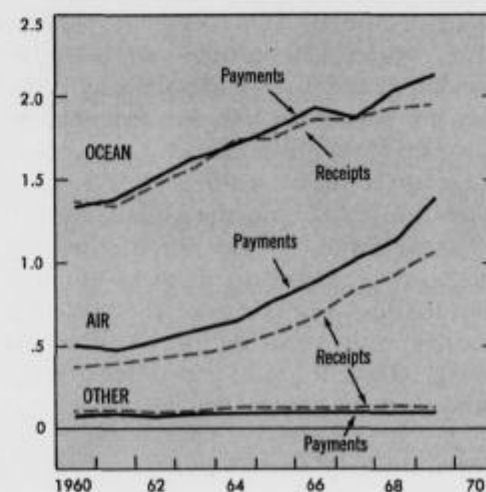
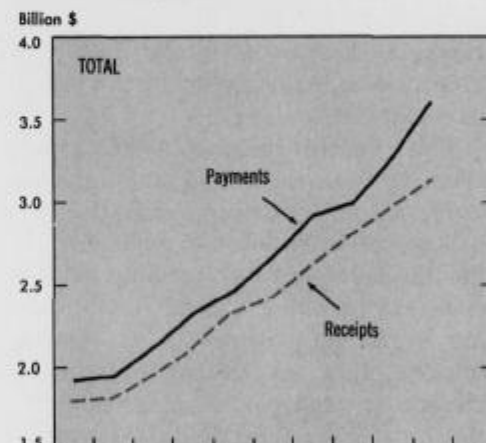
Bahamas and Caribbean areas, and 70 percent of the 1969 increase reflected additional travel to the Bahamas alone.

### Spending in Europe

U.S. travel expenditures in Western Europe rebounded strongly last year following a decline in 1968, when tourism to many areas was affected by unsettled conditions. Payments increased 16 percent to \$1,075 million, as the number of American visitors rose more than 20 percent to 2.3 million (tables 2 and 3). France, most severely affected by conditions in 1968, made the most spectacular recovery in 1969. The number of visiting Americans jumped more than 40 percent and average

CHART 10

### U.S. Payments and Receipts for Transportation



Note.—Consists of passenger and freight transportation charges, charter hire, and carriers' port expenditures.

Table 1.—International Travel and Transportation Transactions

(Millions of dollars)

	1965	1966	1967	1968	1969
1. Total travel and transportation payments.....	5,112	5,579	6,188	6,291	6,996
2. Travel: Payments by U.S. visitors in foreign countries (line 18*).....	2,438	2,657	3,195	3,022	3,390
3. Transportation: Total (line 17*).....	2,674	2,922	2,993	3,269	3,606
4. U.S. passenger fare payments to foreign carriers.....	720	755	830	885	1,065
5. Freight payments to foreign carriers on U.S. imports.....	1,123	1,234	1,222	1,389	1,454
6. Port expenditures abroad by U.S. carriers.....	506	588	598	632	688
7. Other payments.....	325	345	343	373	401
8. Total travel and transportation receipts.....	3,794	4,181	4,436	4,744	5,189
9. Travel: Receipts from foreign visitors in the U.S. (line 7*).....	1,380	1,573	1,946	1,775	2,056
10. Transportation: Total (line 6*).....	2,414	2,608	2,790	2,969	3,131
11. Foreign passenger fare payments to U.S. carriers.....	271	317	371	411	449
12. Freight receipts of U.S. carriers mostly on U.S. exports.....	763	780	800	817	823
13. Port expenditures in the U.S. by foreign carriers.....	1,260	1,388	1,493	1,608	1,731
14. Other receipts.....	120	123	126	133	128
15. Net travel and transportation payments.....	1,318	1,396	1,752	1,547	1,809
16. Memorandum:					
17. Travel payments of U.S. visitors in foreign countries (line 18*).....	2,438	2,657	3,195	3,022	3,390
18. Plus: U.S. passenger fare payments to foreign carriers.....	720	755	830	885	1,065
19. Plus: U.S. passenger fare payments to U.S. carriers.....	610	635	715	815	910
20. Equals: Total spending of U.S. travelers.....	3,768	4,047	4,740	4,722	5,365
21. Memorandum:					
22. Travel receipts from foreign visitors in the U.S. (line 7*).....	1,380	1,573	1,946	1,775	2,056
23. Plus: Foreign passenger fares to and from the U.S. paid to U.S. carriers.....	165	195	235	260	305
24. Equals: Total U.S. receipts from foreign visitors.....	1,545	1,768	1,881	2,030	2,363

\*Line references in parentheses indicate where these estimates appear in table 1 of the regular balance of payments presentations published quarterly in the SURVEY.

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76-7-10

spending per visitor also increased. France's dollar earnings were \$143 million, up \$50 million from 1968 and some \$20 million more than in 1967.

The United Kingdom maintained its position as the leading overseas attraction for American travelers. The number of visitors rose 16 percent with outlay per traveler unchanged, and U.K. receipts rose to \$229 million. Spain's earnings from American travelers, which fell slightly in 1968, rose 42 percent in 1969 as the number of U.S. visitors jumped 50 percent. Ex-

pensures in Greece also recovered sharply.

Spending in Italy fell substantially in 1968 and showed little recovery last year. Although the number of American visitors rose 12 percent the average outlay declined and Italy's dollar earnings remained below the record set in 1967. Average spending also declined, though only slightly, in both Germany and Switzerland. The number of American visitors to both countries increased, however, and Germany's dollar receipts rose slightly while Switzerland's rose sharply.

#### Spending in other countries

Dollar earnings of countries in the West Indies and Central America rose 15 percent in 1969, to \$375 million. The number of American visitors was up 16 percent to 1.7 million, and in addition the number of cruise passengers calling at ports in the area jumped 40 percent to nearly 500,000.

Travel to the Bahamas continued to grow spectacularly. The islands' earnings from American travelers rose 26 percent, to \$132 million—more than double the amount earned only 4 years earlier. U.S. visitors spent \$85 million in Jamaica last year, a 9 percent increase, while earnings of other British West Indies entities rose 10 percent to a total of \$42 million. Bermuda's receipts increased 12 percent to \$56 million.

The number of Americans visiting South America rose 10 percent to about 245,000, but their travel expenditures in the area were up only 6 percent to about \$92 million.

Travel payments in "other areas," primarily the Pacific and Far East, amounted to about \$188 million. The 13 percent rise reflected somewhat lower average expenditures than in 1968, more than offset by a 20 percent rise in U.S. visitors. About 60 percent of all travelers to "other areas" included Japan on their journeys, and that country continued to be the group's major earner of U.S. travel dollars, with \$70 million last year.

#### Trip expenses

U.S. travelers to Europe and the Mediterranean in 1969 spent an average \$420 for passenger fares and \$490 in

foreign countries, or \$910 per trip. This was 6 percent less than in 1968, reflecting declines in both components.

The average transatlantic passenger fare fell 7½ percent and the cost of crossing the Atlantic dropped to 46 percent of the average U.S. traveler's trip expense from 47 percent in 1968. The average air fare dropped 8 percent to about \$407, but the average sea fare, about \$675, was down only slightly.

The average visit in Europe and the Mediterranean area was 29 days, one day shorter than in 1968; average daily expenses were about \$17, about the same as in 1968 (tables 5 and 6). The average trip included visits to about three countries, compared with between three and four in 1968. The reduction in the number of countries visited may have helped to hold down the average per diem outlay on the continent by eliminating some transportation costs within the area.

#### Foreign Visitors in the United States

U.S. receipts from foreign visitors increased 16 percent in 1969 to more than \$2.3 billion, including \$2 billion of travel spending here and \$300 million paid to U.S. carriers for transportation to and from this country (chart

Table 2.—Travel Payments of U.S. Visitors in Foreign Countries, by Area

(Millions of dollars)

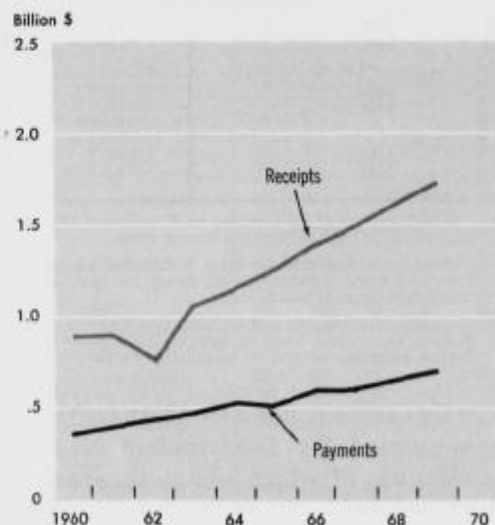
	1965	1966	1967	1968	1969
<b>Total travel payments.....</b>	<b>2,438</b>	<b>2,657</b>	<b>3,195</b>	<b>3,022</b>	<b>3,390</b>
Canada.....	600	678	1,070	820	900
Mexico.....	540	575	590	630	675
Persons visiting Mexican border only.....	355	365	372	390	405
<b>Overseas areas.....</b>	<b>1,208</b>	<b>1,404</b>	<b>1,535</b>	<b>1,572</b>	<b>1,815</b>
Europe and Mediterranean area.....	804	920	1,018	963	1,160
Western Europe.....	795	846	944	925	1,075
United Kingdom.....	142	167	190	198	229
France.....	125	116	119	91	143
Italy.....	152	153	148	140	142
Switzerland.....	53	60	67	74	83
Germany.....	70	86	104	111	114
Austria.....	27	36	41	40	43
Denmark.....	23	26	32	30	32
Sweden.....	14	13	22	18	20
Norway.....	16	14	19	23	23
Netherlands.....	24	26	35	40	41
Belgium.....	13	13	17	16	18
Luxembourg.....	51	53	58	56	80
Spain.....	17	19	21	20	25
Portugal.....	20	24	28	32	36
Ireland.....	31	34	35	28	37
Greece.....	8	6	8	8	9
Other Western Europe.....	8	6	8	8	9
Other Europe and Mediterranean area.....	69	74	74	68	85
Israel.....	31	35	33	36	44
Other.....	38	39	41	32	41
<b>West Indies and Central America.....</b>	<b>220</b>	<b>259</b>	<b>295</b>	<b>325</b>	<b>375</b>
Bermuda.....	35	41	45	50	56
Bahamas.....	62	73	88	105	132
Jamaica.....	52	60	66	78	85
Other British West Indies.....	22	24	30	38	42
Netherlands West Indies.....	14	12	14	19	16
Other West Indies and Central America.....	35	49	52	35	44
South America.....	68	65	70	87	92
<b>Other Overseas areas.....</b>	<b>146</b>	<b>160</b>	<b>152</b>	<b>167</b>	<b>188</b>
Japan.....	60	62	58	60	70
Hong Kong.....	28	30	28	26	35
Australia-New Zealand.....	15	18	18	20	27
Other.....	43	50	48	61	56

NOTE.—Excludes travel by military personnel and other Government employees stationed abroad and by their dependents and U.S. citizens residing abroad; includes shore expenditures of cruise travelers, but not their transportation fares or other passenger fares.

Source: U.S. Department of Commerce, Office of Business Economics.

CHART 11

#### U.S. Payments and Receipts for Carriers' Port Expenditures



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70-7-11

Table 3.—Number of U.S. Travelers and Their Average Travel Payments in Europe and the Mediterranean

	Number of travelers (thousands)	Average expenditure (dollars)
Europe and Mediterranean:		
1969	2,463	444
1968	1,937	412
Sea:		
1969	110	280
1968	109	264
Air:		
1969	2,258	475
1968	1,828	495
Western Europe:		
1969	2,285	470
1968	1,880	492
United Kingdom:		
1969	1,092	209
1968	944	209
France:		
1969	831	174
1968	580	147
Italy:		
1969	718	108
1968	632	218
Switzerland:		
1969	532	181
1968	444	153
Germany:		
1969	740	164
1968	712	157
Austria:		
1969	426	102
1968	362	103
Denmark:		
1969	282	100
1968	274	120
Sweden:		
1969	167	179
1968	160	100
Norway:		
1969	142	102
1968	140	102
Belgium-Luxembourg:		
1969	288	81
1968	216	71
Netherlands:		
1969	490	90
1968	307	102
Spain:		
1969	415	181
1968	277	202
Portugal:		
1969	194	129
1968	187	123
Ireland:		
1969	100	190
1968	130	177
Greece:		
1969	185	199
1968	119	233
Israel:		
1969	157	280
1968	139	272

1. Data for Israel are included in Europe and Mediterranean totals but not in Western Europe totals.

Notes.—For coverage see table 2; excludes all passenger fares and share expenditures of cruise travelers; excludes transoceanic transportation.

Source: U.S. Department of Commerce, Office of Business Economics, on the basis of data of U.S. Department of Justice, Immigration and Naturalization Service.

9 and table 1, line 24). Mexican visitors accounted for \$530 million of travel receipts, of which about three-fourths

reflected spending by Mexicans who visited only the border area (table 8). Travel receipts from Canadians, at \$815 million, were up 25 percent from 1968, partly as the result of a work stoppage which affected Canadian air carriers, causing many Canadians to use U.S. air carriers.<sup>1</sup>

The number of overseas visitors rose 12 percent in 1969 to a record of more than 2 million (table 9). They spent more than \$700 million in this country, and also were responsible for the \$300 million of transportation receipts noted above.

The 8-percent increase in visitors from Europe was mostly among pleasure travelers, who made up 72 percent of the total. Average outlays were higher, and U.S. earnings from European visitors rose 17 percent to \$265 million.

Nearly one-third of the European visitors were residents of the United Kingdom, who spent \$43 million here compared to \$42 million in 1968. A 10-percent increase in the number of German visitors, to 150,000, and higher average expenditures boosted U.S. receipts from that source 25 percent, to \$55 million. French visitors spent \$34 million here and Italians about \$25 million, up 13 percent and 14 percent, respectively, from 1968.

Table 4.—U.S. Travelers to Overseas Countries by Means of Transportation and by Area

	[Thousands of travelers]				
	1965	1966	1967	1968	1969
Total:	2,433	2,576	3,428	3,885	4,423
Sea:	237	220	167	147	151
Air:	2,196	2,356	3,261	3,738	4,272
Europe and Mediterranean:	1,406	1,570	1,900	1,937	2,383
Western Europe:	n.a.	n.a.	n.a.	1,880	2,385
West Indies and Central America:	801	1,050	1,220	1,461	1,700
South America:	127	130	175	228	244
Other:	200	226	230	264	316

n.a.—Not available.

Notes.—For coverage, see table 2; excludes cruise travelers, who numbered about 333,000 in 1965, 337,000 in 1966, 356,000 in 1967, 380,000 in 1968, and 530,000 in 1969.

Source: U.S. Department of Commerce, Office of Business Economics, based on data of U.S. Department of Justice, Immigration and Naturalization Service.

1. Because passenger transportation is included in the travel account in the data dealing with the U.S.-Canadian balance of payments, the fare receipts of U.S. carriers show up in the travel rather than the transportation accounts.

## International Transportation

International transportation transactions resulted in U.S. payments to foreigners of \$3.6 billion in 1969, up \$340 million from 1968 (table 10 and chart 10). U.S. receipts from international transportation were about \$3.1 billion, up about \$160 million. The excess of payments over receipts grew by \$180 million to nearly \$480 million. One major factor was a sharp increase in U.S. passenger fares paid to foreign carriers.

The transportation accounts cover a wide variety of transactions involving the transfer of funds between U.S. residents and foreigners. The bulk of the transactions reflect payments to sea and air carriers for movements of goods and travelers (passenger fares) between the United States and overseas countries. Also included are the expenditures made by foreign sea and air carriers in U.S. ports and by U.S. carriers in

Table 5.—Average Length of Stay of U.S. Travelers in Europe and the Mediterranean Area, by Nativity and Means of Transportation

	[Days]					
	1964	1965	1966	1967	1968	1969
All travelers, total:	41	39	37	33	38	39
Sea:	67	70	70	64	66	59
Air:	35	34	33	21	29	29
U.S.-born travelers, total:	30	26	24	22	25	26
Sea:	60	63	60	60	56	54
Air:	35	22	32	20	27	27
Foreign-born travelers, total:	49	49	43	38	36	35
Sea:	60	64	66	74	72	74
Air:	41	42	35	34	24	23

Note.—For coverage, see table 2; excludes cruise travelers.

Source: U.S. Department of Commerce, Office of Business Economics.

Table 6.—Average Daily Expenditures of U.S. Residents Traveling in Europe and the Mediterranean Area, by Kind of Travel

	[Dollars]					
	1964	1965	1966	1967	1968	1969
U.S. residents:						
Total:	15.84	15.87	15.75	17.08	17.00	16.90
Sea:	12.79	12.50	11.63	13.41	13.22	13.13
Air:	15.35	16.79	16.78	17.43	17.36	17.00
Native-born:	16.87	15.27	15.11	15.94	15.40	15.50
Foreign-born:	9.22	9.22	9.93	11.10	11.21	11.06

Note.—For coverage, see table 2; excludes all passenger fares and share expenditures of cruise travelers; excludes transoceanic transportation.

Source: U.S. Department of Commerce, Office of Business Economics.

foreign ports. These port expenditures are a partial offset to the carriers' earnings from carrying freight and passengers. Transactions with Canada and Mexico for rail and pipeline transportation and for Great Lakes shipping are also covered.

#### Payments

U.S. payments to foreigners for international transportation totaled \$3.6 billion last year. This included about \$2.1 billion in payments to foreign ocean carriers for movement of U.S. imports and U.S. travelers, for port expenses of U.S. ocean carriers abroad,

**Table 7.—Average Length of Stay and Average Daily Expenditure of U.S. Travelers in Selected European and Mediterranean Countries, 1969**

Country	Average length of stay (days)	Average daily expenditure (dollars)
United Kingdom.....	14	15.50
France.....	10	16.75
Italy.....	12	15.25
West Germany.....	13	11.65
Switzerland.....	7	19.25
Spain.....	12	15.55
Netherlands.....	5	18.00
Austria.....	7	14.00
Denmark.....	6	17.00
Belgium-Luxembourg.....	4	17.40
Ireland.....	14	12.35
Israel.....	23	12.05

NOTE.—For coverage, see table 2; excludes all passenger fares and shore expenditures of cruise passengers; excludes transoceanic transportation.

Source: U.S. Department of Commerce, Office of Business Economics.

**Table 8.—U.S. Receipts From Foreign Visitors in the United States (Millions of dollars)**

	1964	1965	1966	1967	1968*	1969
Total U.S. travel receipts.....	1,207	1,320	1,530	1,646	1,775	2,056
Canada.....	446	490	598	576	650	816
Mexico.....	342	298	463	467	493	530
Total overseas countries.....	417	500	540	614	632	710
Western Europe.....	155	200	210	227	226	284
United Kingdom.....	66	71	88	48	42	43
France.....	n.a.	n.a.	n.a.	n.a.	30	34
Germany.....	n.a.	n.a.	n.a.	n.a.	44	58
Italy.....	n.a.	n.a.	n.a.	n.a.	33	26
Netherlands.....	n.a.	n.a.	n.a.	n.a.	12	14
Sweden.....	n.a.	n.a.	n.a.	n.a.	12	10
Switzerland.....	n.a.	n.a.	n.a.	n.a.	14	16
Other.....	n.a.	n.a.	n.a.	n.a.	50	57
West Indies, Central and South America.....	161	300	226	263	262	276
South America.....	n.a.	n.a.	n.a.	n.a.	140	144
Other overseas countries.....	91	100	110	124	144	172
Japan.....	26	27	31	42	51	57

n.a.—Not available.  
\* Revised.

NOTE.—Includes expenditures of travelers for business and pleasure, foreigners in transit through the United States, and students; excludes expenditures by foreign government personnel and foreign businessmen employed in the United

States (who are considered U.S. residents for balance of payments purposes). Transoceanic passenger fares are also excluded.

and for charter hire paid to foreign owners by U.S. operators of foreign-flag ships. Payments to foreign air carriers for transporting U.S. imports and U.S. travelers, as well as port expenditures abroad by U.S. air carriers, amounted to \$1.4 billion. Other payments were \$97 million. The ocean share of total U.S. transportation payments has been falling fairly steadily in recent years, and this trend continued in 1969. Freight payments to foreign ship operators moving U.S. imports increased moderately to \$1,327 million as the adverse impact on imports of the dock strike in early 1969 was offset by a later rise in freight rates. Passenger fares paid by U.S. travelers for sea transportation on foreign ships in 1969 amounted to \$215 million, about \$25 million more than in 1968 but about the same as in 1965. While the trend to air travel by U.S. transoceanic travelers has reduced payments for regular liner passage, the number of U.S. cruise passengers has risen sharply.

Outlays for air transportation have been increasing in recent years as a proportion of total payments. Passenger fares for transoceanic travel on foreign airlines cost Americans about \$850 million in 1969. U.S. carriers' port expenses abroad totaled about \$410 million and were, for the most part, a

direct result of passenger traffic. Payments to foreign air carriers for shipment of U.S. imports, although smaller than passenger payments, have grown rapidly. In 1969 they totaled \$127 million, a sharp rise from 1968 which may have been associated with a switch to air transportation during the dock strike.

**Table 9.—Foreign Visitors to the United States From Overseas Countries, by Area and Type of Visa**

(Thousands of travelers)

	Total	Business	Pleasure	Transit	Student
Overseas countries total:					
1969.....	3,010	263	1,473	185	71
1968.....	1,705	230	1,305	174	60
Europe:					
1969.....	292	181	941	80	10
1968.....	326	165	677	55	8
West Indies and Central America:					
1969.....	461	17	397	31	16
1968.....	394	14	342	24	13
South America:					
1969.....	291	17	223	20	12
1968.....	260	18	213	20	11
Other overseas areas:					
1969.....	376	87	211	45	26
1968.....	315	70	178	44	23

NOTE.—Excludes visitors from Canada and Mexico; excludes foreign government personnel and foreign businessmen employed in the United States. Data are not adjusted for double entries on the same trip.

Sources: U.S. Department of Justice, Immigration and Naturalization Service.

**Table 10.—International Transportation Transactions, 1965-69 (Millions of dollars)**

Type of transportation	1965	1966	1967	1968	1969
<b>TOTAL PAYMENTS.....</b>	<b>2,674</b>	<b>3,122</b>	<b>3,913</b>	<b>3,369</b>	<b>3,406</b>
Ocean.....	1,506	1,633	1,879	2,038	2,127
Import freight.....	1,063	1,157	1,164	1,281	1,327
Passenger fares.....	210	200	195	190	215
Port expenditures.....	231	264	271	288	281
Charter hire.....	232	232	269	278	304
Air.....	776	886	1,030	1,120	1,284
Import freight.....	49	47	58	78	127
Passenger fares.....	610	555	615	685	698
Port expenditures.....	325	294	327	363	407
Other.....	90	93	94	65	97
<b>TOTAL RECEIPTS.....</b>	<b>2,414</b>	<b>2,558</b>	<b>2,790</b>	<b>2,999</b>	<b>3,131</b>
Ocean.....	1,731	1,842	1,951	1,935	1,966
Freight.....	673	698	674	690	653
Port expenditures.....	1,041	1,154	1,182	1,233	1,274
Other.....	18	21	16	12	19
Air.....	572	633	828	907	1,066
Freight.....	91	112	126	127	160
Passenger fares.....	263	307	363	405	441
Port expenditures.....	219	224	331	376	467
Other.....	111	112	115	127	117
<b>NET PAYMENTS.....</b>	<b>260</b>	<b>314</b>	<b>303</b>	<b>360</b>	<b>477</b>

Source: U.S. Department of Commerce, Office of Business Economics.

### Receipts

U.S. receipts from international transportation totaled \$3.1 billion in 1969, about 5 percent more than in 1968. Receipts from ocean transportation were almost \$2 billion, including freight receipts of U.S. carriers, ocean port expenditures of foreign carriers in the United States, and relatively small amounts received for charter hire and foreign passenger fares. The relative importance of ocean receipts in total U.S. receipts has steadily declined. Revenues of U.S. carriers for transporting U.S. exports and freight between foreign countries were \$663 million in 1969, little changed since 1965. While trade tonnage carried in U.S. ships has declined in recent years, this has been largely offset by generally higher average freight rates. The increase in cargo rates has been particularly sharp for U.S.-flag liners, which tend to handle high value cargoes on which relatively high rates are paid.

U.S. receipts from air transportation in 1969 rose \$150 million to over \$1 billion, almost twice the amount in 1965. Port expenses of foreign air carriers in the United States (predominantly related to passenger traffic) were about \$460 million. U.S. air carriers' passenger fare receipts, including earnings from carrying foreign residents between foreign ports, reached \$440 million in 1969. Their air freight receipts on U.S. exports and shipments between foreign countries were \$160 million. The fairly sharp rise last year in freight receipts may have been associated with increased air shipment of U.S. exports during the dock strike.

Other transportation receipts totaled \$117 million in 1969, including receipts from Canada and Mexico for rail and pipeline transportation and Great Lakes shipping.

### Port expenditures

Foreign carriers operating into the United States incur port expenditures here; likewise, U.S. carriers operating abroad incur expenditures in foreign

ports (chart 11). Port expenditures include the cost of loading and unloading goods, purchases of fuel, food, and supplies, maintenance, repair, and administrative and promotional outlays. Most of the expenses of sea carriers involve costs of handling cargoes, while the predominant part of air operators' expenses are related to passenger travel.

As foreign ships carry a larger volume of U.S. trade, U.S. payments to foreign carriers on U.S. imports tend to rise. This increase in payments tends to be partially offset, however, by a corresponding increase in receipts from foreign port expenditures in the United States. U.S. payments to foreign ocean carriers for U.S. imports and passenger fares were \$1,542 million in 1969, up about \$250 million from 1965. During the same period, foreign ocean carriers' port expenditures in the United States rose \$230 million to \$1,274 million. Thus, the increase in U.S. payments to foreign ocean carriers on these accounts was largely offset by the increase in U.S. receipts for their port expenditures. Of course, the foreign carriers' port expenditures were associated with loading of U.S. exports and loading and unloading "in transit" goods, as well as unloading U.S. imports; and in calculating foreign carriers' earnings (which is not done here) the revenues they receive from carrying U.S. exports and "in transit" goods—although not U.S. balance-of-payments items—would have to be considered.

Neither U.S. ocean carriers' international receipts nor their foreign port expenditures have shown much change since 1965. Payments to foreign air carriers for transporting U.S. imports and U.S. travelers totaled \$977 million in 1969, up \$430 million from 1965; their port expenditures in the United States totaled \$457 million up \$240 million from 1965. In 1969, U.S. air carrier receipts on U.S. export freight, shipments between foreign countries, and passenger fares of foreigners were \$250 million higher than in 1965, while their port expenditures abroad increased by \$180 million.

### (Continued from page 3)

agers was different. In the case of women in the second quarter, and teenagers in both quarters, there was virtually no net change in the full-time labor force. Relative to men, full-time workers in those two groups had a greater tendency to withdraw from the labor force in the face of slack demand, or to refrain from entering, which suggests that their labor force attachment is weaker.

It should be noted that the full-time labor force is defined to include persons involuntarily working part-time schedules because full-time work is unavailable. Thus, if slack demand causes an involuntary shift toward short hours, that development will not be reflected as a shift from the full-time to the part-time labor force.

Behavior of the part-time labor force was quite different from that of the full-time segment. Except in the case of teenagers in the first quarter, labor force changes were very similar to changes in employment—a pattern consistent with the assumption that part-timers are less strongly attached to the labor force. Employment grew substantially in the first quarter, a rather surprising development in view of the slowdown in the economy. To some degree, it reflected continued job expansion in the services and trade, where part-time workers are a major element of the workforce; the initial impact of the slowdown was concentrated in manufacturing, especially in the durables sector, where jobs are typically full-time. It also seems likely that the impact on incomes of inflation and of actual or threatened job loss by primary workers gave potential part-time workers a strong motive to look for jobs—at least so long as jobs appeared to be available.

In the second quarter, however, labor market weakness became more widespread and part-time employment fell. Once again, the change in employment was mirrored by a change in the labor force. In fact, the decline in the part-time labor force was larger than the drop in employment because there was a small net reduction in the number of unemployed workers looking for part-time jobs.